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ABSTRACT

The numerous forms filed with the Federal Communications Commission (FCC) provide information about a variety of topics. Basic licensing information that is available concerns engineering, ownership, and equal employment opportunity. The FCC's broadcast bureau collects information about programing, the ascertainment of community needs, public service announcements, commercial practices, ownership, financial qualifications, and noncommercial instructional/public television. The common carrier bureau of the FCC collects ownership and general information, financial and accounting data, physical plant and operations data, employment records, and information about microwave stations. Other FCC offices that provide access to information about the broadcast media include the cable television bureau, the safety and special radio services bureau, and the field office bureau. (RL)

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FREEDOM OF INFORMATION CENTER REPORT NO. 410

THE FCC: A RESEARCH TOOL

This report was written by Paul Wilson, who recently received his M.A. degree from the University of Missouri School of Journalism. It is the fifth in a series of reports on access to information from federal agencies, prepared by graduate students in the Washington, D.C., reporting program.

As guardian of the airwaves, the Federal Communications Commission regulates more than 900 television stations, 4,000 cable systems, 8,000 radio stations, 20 million citizens-band radio operators, 1,600 telephone companies and numerous other enterprises.[1]

In its regulation of television, the FCC oversees the most powerful communication tool in the world. In its regulation of the telephone industry, it looks after the country's largest corporation (AT&T). And with its jurisdiction over cable television, it controls the future of the telecommunications industry.[2]

According to a national survey of television-viewing habits, Americans watch an average of three hours of television a day.[3] Are people getting the quality of television they have been promised? Every three years, television station owners must tell the FCC — and anyone else interested enough to find out — the kind of programming they will offer in the future. This information is no farther away than the public files kept at every TV station, and it is only a small part of the data the FCC collects each year. To use this valuable information, a person need only know where to look for it.

Most information the FCC gathers comes from some 400 forms — a stack almost two feet high. This report explains the most important FCC forms and the information they reveal.

In the Communications Act of 1934, Congress created the FCC as an independent regulatory commission. Since then, the FCC has used its broad powers to allocate, and then regulate the use of scarce airwaves among competing interests, based on who will best serve the "public interest, convenience and necessity."[4]

Five FCC bureaus and the Chief Engineer's Office are responsible for most commission work. These various offices, examined separately in this report, are:

- The Broadcast Bureau, which regulates AM and FM radio stations, TV stations and related facilities.
- The Common Carrier Bureau, which regulates wire and radio communications common carriers, such as telephone, telegraph and satellite companies.
- The Cable Television Bureau, which enforces cable TV rules and regulates private microwave radio facilities that relay TV and other signals to the cable system. (Some microwave carriers are under the Common Carrier Bureau.)
- The Safety and Special Radio Services Bureau, which regulates all other radio stations (except experimental) engaged in safety, commercial or personal communications.
- The Field Operations Bureau, which detects violations of radio regulations, monitors transmissions, inspects stations, investigates interference complaints and issues violation notices.
- The Chief Engineer's Office, which supervises the testing of radio equipment and grants license approval for experimental radio stations.

BASIC LICENSING INFORMATION

Although different license applicants must provide the FCC with different information, all applicants have one thing in common: They must meet the same qualifications. "A licensee must be an American citizen (or corporation primarily owned and controlled by American citizens); must have enough money to run the station for a year, not counting any revenues it may produce; and must be of good character."

Most license forms used by FCC bureaus contain certain common items of information. A general understanding of this information can speed the research process, regardless of the form encountered.

To begin with, almost every action of the FCC follows the same three steps(1) an application for a construction permit; 2) an application for a license; and 3) an application for renewal. For convenience, this three-step process is referred to as the licensing process. For almost any licensing process, the same basic information is available, as outlined below.

Many forms serve multiple purposes, so an application

Summary: How is the local TV station planning to serve the public interest? Who owns the local radio station? How much did the phone company spend on advertising? Answers to questions like these can be found in the numerous forms filed with the FCC, the agency that regulates everyone from CB operators to TV stations. This report discusses what information is filed with the FCC, and how to find it.

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form may at first seem unclear. For example, FCC Form 301 is an application for a broadcast station construction permit — that is, a permit to build either an AM or FM radio station, or a UHF or VHF television station. The particular purpose of the form is indicated by the applicant.

A. Engineering Information

Engineering information requested by the FCC is extremely important in controlling frequency interference. This information may only be useful in isolated instances, such as when a private plane crashes into a TV tower, or when a large number of people complain about television reception interference. But material could also be useful in research involving additional radio or TV stations coming into a community.

Basic engineering data includes the location of transmitter and antenna; the height above surrounding terrain of antennas; and the operating frequency, band-width and power output of the station. On some applications, power-output information is accompanied by maps showing specific locations and coverage area of the station.

Engineering information also includes equipment specifications, such as manufacturer and type of equipment. If an accident occurred, or a transmitter failed during an emergency, this information could be useful in identifying the manufacturer responsible for any loss of life or property.

B. Ownership Information

Much information in licensing forms involves the tricky questions of ownership. Who owns the television stations and radio stations in a community? If they are locally owned, does that create biases in coverage? If they are owned by a corporation 1,000 miles away, does that deny citizens responsiveness to community needs?

Legal information on forms is designed to determine the ultimate owner of a license. This type of information includes whether the applicant is an individual, government entity, partnership or corporation. For individuals and partnerships, American citizenship is a test. For corporations, one can determine what state the company was organized in, and who (if anyone) from a foreign country owns as much as 20 percent of the company's stock. If an alien or foreign corporation controls that much of a company, the name, nationality and position in the company must be disclosed.

Additionally, if the applicant is a corporation, it must show what other corporations directly or indirectly control it. If the controlling corporation is in turn a subsidiary, the organization having ultimate control must be specified. By any other means, finding out the ultimate owners of a television or radio station could take months.

C. Equal Employment Opportunity Information

Individuals or companies who want licenses for telephone, radio, cable or television operations must develop Equal Employment Opportunity programs. These programs are generally described in Attachment A to the relevant form.

The purpose of the information is to ensure that licensees develop programs for the recruitment, hiring and training of qualified minority and women employees. Once the program is developed, the applicant is required on subsequent renewal forms to indicate the number of minorities and women employed. As Barry Cole noted, "The employment of blacks and women has certainly risen since the commission adopted its EEO rules and reporting requirements."[5]

Applicants must develop their programs based on model guidelines proposed by the commission. These include a general policy statement, a specific person designated to implement the station's program, and recruitment techniques — including sources of minorities and women job applicants. The applicant must also indicate whether training programs or other types of educational experiences will be offered.

Stations that have been granted licenses are required to file Form 395, an Annual Employment Report. Form 395 (and 395-A for cable systems) requires the filer with 10 or more full-time employees to specify a wide range of information regarding employment practices.

The form shows the total number of employees, broken down by sex, and the total number of minority applicants, divided both by type of minority and by sex. In addition, the report subdivides each of the employment categories by type of work (managers, technicians, clerical workers, etc.), and by full-time or part-time workers. The categories must show totals for both the present year and previous years.

Using Form 395, it would be possible to determine how many of a certain minority are employed at a station. It would also be possible to measure a station's minority-hiring performance over the years, and to determine if minority increases in management jobs were paper promotions of job titles, rather than real promotions. By comparing the actual results of a station's recruitment policy (as shown in Forms 395 and 395-A) with the EEO program (as described in the original application), it would be possible to assess the relationship between a station's performance and its promises.

BROADCAST BUREAU

To put a new television or radio station on the air, an applicant must first receive FCC permission to construct the station. Once construction authority is given — and assuming engineering standards are met — approval of the broadcast license application (Form 322) is almost perfunctory. Therefore, an applicant logically puts the most detailed work into the 50-page FCC Form 301. It is used by all commercial AM and FM radio stations and TV stations for construction authorization. However, because many FCC forms serve dual purposes, Form 301 is also used by existing stations that are making major engineering or programming changes (for example, increasing power or switching from country-and-western to classical music).

A. Programming

One of the most interesting areas of Form 301 is the station programming information it provides. However, because most stations are already on the air, and have been for many years, some of the information on Form 301 is probably outdated. To analyze current program information, a variety of forms must be consulted. For instance, if information is desired about a TV station's programs over the last three years, commercial television License Renewal Form 303 and the Annual Programming Report, Form 303-A, should be consulted. For radio stations, only FCC license renewal Form 303-R is needed.

These forms allow broadcasters to demonstrate their "efforts to provide a program schedule designed to serve the needs and interests of the public in the areas to which they transmit an acceptable signal."[6] It should be understood in reviewing these forms, however, that this obligation has never been fully enforced by the FCC. As Barry Cole and Mal

Oettinger commented in their book **Reluctant Regulators**:

> Regardless of how important programming is and regardless of which renewal form is used, answers to the programming questions and to related inquiries have never by themselves resulted in a denial of renewal. A renewal application has never been denied solely because of a failure to meet community needs and problems, an excess of commercials, a lack of public service announcements or an inadequate amount of news, public affairs, or other non-entertainment material. Nor has a combination of these misdeeds ever resulted in denial of a renewal application. No renewal has ever been denied solely for failing to live up to programming promises made previously.[7]

B. Ascertainment of Community Needs

Using the programming information contained in forms 301, 303, 303-A and 303-R it is possible to pinpoint what a station regards as the community's major problems. This information, along with a list of community leaders contacted, is part of the ascertainment process each station must undertake annually.

Although all of the ascertainment information is available to the public in the station's public-inspection files, the station must send only a community-leader checklist to the FCC — a checklist showing the number of leaders contacted in defined categories, such as agriculture, business and government. Public-inspection files must be open to the public during regular business hours, and they contain most information filed by the station with the FCC. Frequently, as with interviews conducted by the station with community leaders, the FCC will require stations to place in their public-inspection file information that does not have to be filed with the commission.

Also available in the public-inspection file is a list of the community's 10 most significant needs and interests that the station intends to serve during the upcoming license period. Along with this list of needs is a corresponding list of "typical and illustrative programs" (excluding entertainment or news) that the applicant anticipates broadcasting. For example, if a licensee determines that a new dam and reservoir will pose significant zoning, traffic and crime problems for the community because of more tourists, then the licensee must state how the station will deal with the issues through public-affairs programming. Community ascertainment projects, therefore, serve as public-affairs programming goals by which a station can be evaluated.

C. Programming History

How much locally produced news do people receive from their TV stations? How many commercials per hour are they getting from their radio stations? How many public service announcements are being broadcast? The answers to these and other programming questions can be found in License Renewal Form 303 or the application for a construction permit, Form 301. (If a station has been sold or transferred the information may be on Form 314 or 315.) Because the information may be located in several places, it is best to start with License Renewal Form 303, if the station is on the air, and Form 301, if it is being constructed.

Form 301 and the annual programming report — Form 303-A for television, and Form 301 and Form 303-R for radio — provide a useful summary of programming practices. This information is particularly current for television because the programming report must be put in the public-inspection file by Feb. 1 of every year.

The information on the report actually represents only a composite week of programming, rather than a full year. A composite week is made up of seven randomly selected days of the year, one for each day of the week. For example, Sunday may be designated April 13, Monday Nov. 25, Tuesday Jan. 28, and so on. The composite-week data for both TV and radio show essentially the same information.

In the past, the composite week has led to misleading information. For example, one year NBC had run a three-hour, prime-time public affairs program on a day later selected for the composite week. As a result, the amount of public affairs programming for NBC affiliates was skewed out of proportion. Now, stations must use alternate days if programming during the designated day is unrepresentative of a typical broadcast day.

For television, it is possible to determine programming practices for different time slots — 6 p.m. to 11 p.m., 6 a.m. to midnight, and midnight to 6 a.m. (The hours are slightly different for Central and Mountain time.) Within each of these categories, the total broadcast time is shown for news, public affairs and all other non-entertainment and non-sports programming. This information combines locally and non-locally produced programs, but similar categories show the amount of time given to locally produced programs.

To isolate particular types of programs — such as children's programs or educational programs — the program log should be consulted. The log offers minute-by-minute accounts of the broadcast day, describing what programs and what commercials were broadcast. A copy of the composite-week program logs are on file at the station and with the FCC.

For radio stations, program summaries are available only once every three years. But summarized in one easy-to-understand chart on Form 303-R is the amount of time devoted to news, public affairs and non-entertainment programs. Also indicated is the amount of time the licensee previously promised to devote to each type of programming, and the amount of time the licensee promises to devote in the next three years. This data is useful for comparing promises to performance. For example, a station might have promised to deliver news 10 percent of the total broadcast time. In reality, news may have been broadcast only 3 percent of the time, yet the licensee may continue to promise 10 percent for the next three years.

D. Future Programming Goals

With license renewal coming only once every three years, it is important to understand what type of programming can be anticipated in the future. To determine a television station's future programming goals, one should check two places: the public-inspection file — for programs the applicant plans to broadcast in response to community problems — and License Renewal Form 303. (If a station is new, Form 301 should be reviewed. If a station is being sold, Form 314 is appropriate.)

Essentially, Forms 303, 301 and 314 require the licensee to estimate how much time will be devoted to local and national public affairs programming, and how much time will be given to programs other than sports and entertainment. Generally, "other programming" includes agriculture, religious, instructional and educational programs.

As described earlier, future programming information for radio stations can be found on Form 303-R.

E. Public Service Announcements

A public service announcement is any announcement (including those from the network) for which no charge is made and which promotes programs of government agencies or non-profit organizations.

PSAs for both TV and radio may indicate a station's commitment to the community, the amount of time the broadcaster was unable to sell, or both. Although there are no specific FCC requirements concerning the number of PSAs that must be broadcast, they are generally viewed as legitimate measures of a station's commitment to serving the public interest.

For television stations, Form 303 shows the total number of PSAs broadcast for the composite week, as well as the number aired between 8 a.m. and 11 p.m. In addition, the TV licensee must indicate the number of PSAs designed to promote local programs or organizations, and the number that do not pertain to the local market. The licensee must also indicate the number of local and non-local PSAs the station plans to broadcast for the next three years. Station renewal forms can be compared against a prior year's performance, and stations within a market also can be easily compared.

Radio stations, in completing License Renewal Form 303-R, must provide the PSA total for the composite week, the total promised in the past and the total promised for the future.

F. Commercial Practices

In a recent national survey on television-viewing habits, people across the country expressed more displeasure than ever before with the amount of viewing time taken up by commercial messages. The reaction has become so strong, in fact, that 36 percent of all adults are now willing to pay for their programs if that means they receive commercial-free entertainment.[8]

The exact amount of commercial time on any radio or TV station can be identified — and that time may range from eight to 30 minutes of commercial messages per hour.

For television stations, this information is available on Form 303, which shows the number of commercials per hour for the composite week. The information shows how many hours of viewing time had commercials for eight minutes or less, eight to 12 minutes, 12 to 16 minutes, and more than 16 minutes. For every hour containing more than 16 minutes of ads — a guideline suggested by the National Association of Broadcasters — the licensee must list each program segment, the actual number of commercial minutes and the time of the broadcast. For example, the second hour of a Saturday night movie (the hour when viewers are already "hooked") may have a much higher commercial content than any other hour during the broadcast week.

The TV licensee must also show the amount of commercial minutes per hour in programs designed for children under 12. If children have been exposed to more than 12 minutes of commercials per hour on weekdays or 9.5 minutes per hour on weekends, the broadcaster must specify both the show and the actual commercial amount. This information might be used, for example, in a station-by-station analysis of commercial saturation in children's programs.

Radio stations must state on Form 303-R the number of hour segments in the composite week containing more than 18 minutes of commercials. For all such hours, the licensee must indicate the amount of commercials and the time of broadcast.

For both TV and radio, applicants must propose how much commercial content they expect to carry over the next three years. The projections follow the same information previously described. For example, a television broadcaster must indicate how many commercial minutes were contained in past children's shows, and how many will be contained in future shows.

Even though commercial requirements do not play a major role in whether a license renewal is granted, stations are still required to justify why they may anticipate deviating from suggested commercial levels. For instance, if a radio station proposes to broadcast 30 minutes of commercials per hour during morning drive time (6 a.m. to 10 a.m.), the only requirement is that the station justify it.

G. Additional Programming Information

On Form 303, television station owners are required to describe programs aired that were specifically designed for children 12 years old and under. This information must include the source, time of broadcast, frequency and program type.

Radio stations are also required to describe past and future format. This might include whether a station is planning to go from country-and-western to easy-listening music, or from a talk-music to all-news format.

H. Detailed Ownership Information

Earlier, this report described the basic ownership information the FCC collects from applicants for all types of licenses. For broadcast stations, the FCC gathers information in considerably more detail. For example, Form 301 requires partners, individuals and corporation directors to divulge their share of ownership interest in a new station. In the case of corporations, any person owning more than three percent of the capital stock must show the amount of stock held and the percent interest that stock represents in the corporation. Anyone with a 25 percent or greater interest in a station must show a five-year employment history, describing the location and nature of past employment. Most of this information must also be provided by family members who are parties to the application.

All of this information is useful in showing how past business connections may relate to station policy. For example, environmentalists in Alaska have frequently charged that broadcast station owners are too closely tied to mining and logging interests, and therefore biased against protecting Alaskan land from development.

The data is also useful in determining the concentration of media ownership. For example, persons or corporations are currently prohibited from owning more than 5 VHF TV stations, 2 UHF TV stations, 7 AM radio stations and 7 FM radio stations. Media concentration is even more severely restricted within one market. Currently, a licensee is not permitted to own more than one broadcast property in the same market unless such ownership existed prior to July of 1978, when the FCC made the rule.

Because many stations are sold every year, or stock transactions change the relative ownership position of partners, ownership information found on Form 301 or renewal forms 303 and 303-R is frequently out of date. Determining a station's current owner requires some work. The place to begin is with FCC Ownership Report Form 323.

This form is required to be filed annually, and 30 days after any transaction which affects ownership. Form 323 provides information concerning current owners and their share of the broadcast property. It covers cross-ownership questions regarding other broadcast properties, and other relevant ownership information. The ownership report is required only after the sale or transfer of control is complete. But the commission must approve transactions that affect the transfer or "assignment" (sale) of control of a broadcast license or construction permit. Therefore, prior to a sale of stock, a licensee must complete Form 316 (the short form), informing the commission of the proposed sale or transfer. Or the licensee may be required to complete one of two 50-page forms similar to the initial license form. One of these is an application for transfer of control of a construction permit or license (Form 315), and the other is an application for consent to assignment of a construction permit or license (Form 314).

Simplifying somewhat, a transfer means any action where existing owners of the same company change their relative ownership position. For example, if a father-and-son partnership owned a TV station and the father retired, the action would be a transfer of control. If, on the other hand, the father-and-son partnership decided to sell its television station to a different company, the action would be an assignment.

If the FCC determines that the short form (Form 316) cannot be used, then the applicant must complete all sections of Forms 314 or 315 that deal with financing, legal qualifications, programming, engineering and equal employment opportunity. The more complete information contained in 314 or 315 would be useful in assessing how a new owner is going to work to meet community interests.

Forms 314 and 315 are really extensive application forms. With the exception of information about the change-of-ownership transaction, they are identical to the original station license Form 301.

The application for consent to assignment, Form 314, is scrutinized more carefully than the transfer of control, Form 315, because it involves a more drastic change in station control. Therefore, the information in Form 314 may offer insight regarding how the sale was accomplished, who the new owners will be and with whom they deal financially.

A two-page ownership and transfer report is also filed by non-commercial public TV and radio stations. The form is extremely simple compared to its commercial counterpart (Form 323). The only information of great utility is the listing of owners who have an interest in the station amounting to more than 1 percent. However, at the commission's request, a public TV or radio station may be required to complete either Form 314 or Form 315.

I. Financial Qualifications

How much will it cost to build a new station? What will it cost to operate for the first year? Who in the community has provided money for the station, and in what amount? These types of questions can be answered for a new station in Section III of Form 301. If the station is sold, or control is transferred, the information can be found in Section III of Form 314 or 315. All of these forms include virtually identical financial information.

For a new station, the applicant must give estimated costs of acquiring land, buying equipment and constructing the station. The first-year operating costs must also be indicated, as well as anticipated revenues for the first year. Generally, the FCC requires that an applicant who is constructing a new station, or purchasing an existing one, must have capital sufficient to operate the station for one year without using revenue generated by the station.

The applicant must also supply an explanation of sources for operating capital, including donations, loans and amount of funds on deposit. In attached exhibits to the application, each person "who has furnished or will furnish one percent or more of the capital" must show net income for the past two years. Any loans must also be fully explained. In short, a complete financial picture must be given concerning revenue the applicant has, and the expenses anticipated for the station's first year of operation.

J. Non-commercial Instructional Television

Today, with the quality of education being seriously questioned, it is appropriate to ask if instructional television is providing the kind of quality education taxpayers expect. Although it might seem an unlikely place to go for help, the FCC can give a partial answer to that question.

An instructional TV station is one that school districts operate to beam four channels of programs to area schools. It differs from public television in that its range is usually limited to a school district, and the programming content is virtually all instructional in nature, such as classes in language or home economics.

To investigate instructional television stations in a community, three forms should be consulted. These are the construction application, Form 330-P; the license application, Form 330-L; and the renewal application, Form 330-R.

Essentially, Form 330-P provides all the basic licensing and financial information previously described for other licenses. It also shows which government officials will be members of the board of directors, and offers an extensive accounting of how much money is provided by state, county or municipal sources. Similar to other construction applications, the form must also show the estimated cost of building and operating the service.

For programming, the only requirements are a statement of purpose and objectives for the station, a proposed programming policy, and a proposed weekly schedule of programs. The weekly schedule must include a brief description of programs not recognizable by their titles. The station must also note whether it will be affiliated with any network that provides educational television programs. To ensure the applicant is able to produce enough programming material for the station, the applicant must describe the facilities, staff and equipment that will be available for program development.

The license application, Form 330-L, provides little additional information, except for final construction costs. The renewal application, Form 330-R, includes the number of students served and a description of programming changes that have been made.

K. Non-commercial Public Television

Public television is intended to provide people with an educational alternative to commercial stations. (The FCC still frequently refers to public television as educational television.) Over the years, the FCC has paid less attention to public television's programming and employment practices, under the assumption that the non-commercial aspect and general intent of public television requires less scrutiny.

Similar to instructional television stations, public television must deal with three major forms: the construction application, Form 340; the station license application, Form 341; and the renewal application, Form 342. (The ownership report, Form 323-E, has already been discussed.)

In addition to basic information — such as ownership qualifications, engineering data, EEO requirements and financial information — Form 340 provides helpful programming information. The applicant must show the percentage of the broadcast week that will be devoted to instructional programming. The applicant must also identify 10 significant needs in the community that warrant treatment, and propose illustrative programming to be broadcast in response to those needs.

The application for a license, Form 341, essentially offers financial and engineering data. Form 342 provides insights into the programming of the station. The public station is not required to complete Form 342 based on a composite week, as commercial television stations do. Instead, the licensee may voluntarily select any week during the school term for summary of the station's programming efforts. This system has come under some attack, presumably because a licensee will select its best week for summarization.

In the programming summary, the licensee is required to state the total number of hours devoted to local, network and other types of programs. In addition, the information must be broken down into type of program, such as instructional, general educational, performing arts, public affairs or light entertainment. Finally, the applicant must "describe any substantial changes in future program service," and state whether the station will be affiliated with any educational network, such as the Educational Radio Network.

COMMON CARRIER BUREAU

Every year, more than 1,600 common carriers are required to file exhaustive financial disclosures with the FCC. These common carriers include companies that provide telephone, telegraph, facsimile, audio, telephoto, video and satellite transmission services for a fee. To increase rates, common carrier tariff schedules must be filed with the commission and shown to be just and reasonable.

Although information justifying a tarriff is frequently presented in hearings before the commission, year-end financial reports provide a wealth of useful information. In Form M for telephone companies, Form R and Form O for telegraph carriers, and Form P for microwave and satellite carriers, a financial portrait of each carrier emerges.

A. Ownership and General Information

In this section of the annual financial reports, the company that has direct control of the common carrier is listed. For example, AT&T controls 100 percent of its subsidiary, Southwestern Bell Telephone Co. Also in this section is a complete list of the names and addresses of the board of directors, along with their term, the number of meetings they attended during the year and any fees they were paid for serving. The common carrier must also list the principal officers of the company, their salaries and the responsibilities they have in the company.

One of the most useful parts of this section involves a detailed listing of the important changes that the company made during the year. For example, any rate increases are listed, with an estimate of the cost to the public, and an estimate of the increase in revenue to the company. Even with no prior knowledge of tariff hearings, a researcher can have a clear sense of the additional cost to the public of last year's rate increase.

Also in this part, the carrier must show any companies that it acquired, either directly or indirectly through a subsidiary. Furthermore, the company must list any significant contracts or leases executed during the year, including those with common carriers and broadcasting companies.

B. Financial and Accounting Data

The balance sheet summarizes the transactions of the company for the year completed and the prior year. For each item, the balance sheet also shows the increase or decrease over the previous year.

The information on the balance sheet includes the cost of operating the facilities of the phone company, as well as the cost of any construction work in progress. It also contains a summary of the investments of the carrier, a description of assets and liabilities, and data on the long-term debt of a company. Footnotes are helpful additions to the balance sheet because they show the extenuating circumstances surrounding a particular item. For example, if the FCC made an adverse ruling in a case affecting the carrier, it is likely to be noted in the balance sheet footnotes.

Any item on the balance sheet that appears interesting is backed up by a detailed analysis. For instance, a telephone company may have listed $2 million under "property held for future use." By consulting the appropriate section of the form, a researcher may discover that the land referred to is in a neighborhood of low-income housing — the implication being that the present homeowners may be scheduled for eviction.

This type of backup information includes a few tantalizing areas, such as:

- Location and description of physical property valued at more than $10,000.
- A list of the ten largest account receivables amounting to more than $10,000.
- A summary of the type and amount of all taxes paid.
- Special expenses incurred before the FCC in fighting for rate increases.
- The cost and description of services provided by persons, other than employees. These can range from liquor purchases to costs for lobbying firms.
- A description and itemization of all advertising costs. This includes the amount of money spent to encourage people to advertise in the phone book, as well as the cost of promoting long distance calls. It also includes any advertising spent to help elect a candidate to office. (Although federal laws prohibit direct corporate contributions, many states allow them.)

C. Plant and Operating Data

This type of information includes such items as the number of telephones in service, the number of calls made, overseas telephone services provided and the revenue generated from pay-telephone calls.

D. Employment Data

Employment information is broken down by sex and job

classificaton. Within those two broad categories it is possible to determine pay scales by sex and job title. For example, at a glance one can determine the number of male and female foot and bicycle messengers for the telegraph company, and what salaries they are paid.

Beyond the annual financial report, the FCC publishes industry aggregate figures based on the largest companies.[9] Some of this information is also available in the FCC's annual report.

E. Microwave Stations

A group of suburban Chicago residents woke up one morning to find in their neighbor's backyard an obstrusive metal dish, 30 feet in diameter, constructed almost overnight to receive microwave television signals beamed from downtown Chicago. In another case, residents in a small Connecticut town successfully fought the construction of a microwave relay station they felt might pose a serious health threat. And it has not been long since the U.S. government issued a terse reprimand to the Soviet Union for allegedly plucking top-secret phone calls — along with all others — from the microwave airwaves that were carrying them. These are just a few cases from an area receiving increasing public attention — the use of microwave radio stations to transmit information.

In researching these microwave stations, FCC Forms 430 and 435 should be consulted. Form 430 requires applicants to file all basic licensing information pertaining to ownership and other legal qualifications of microwave stations. FCC Form 435 is needed to complete engineering information and to discuss environmental impact. In this new area, applicants for microwave radio station construction permits must identify any "quiet zones," such as hospitals or homes for the aged, where microwave transmission might interfere with existing medical equipment, or where the construction might be detrimental to the neighborhood. In addition, Form 435 requires the applicant to set forth a complete statement showing how it will be in the public interest for the commission to grant the construction permit.

CABLE TELEVISION BUREAU

Cable television over the last few years has won numerous court battles with the FCC, resulting in less and less regulation of the industry. For example, cable television is not burdened with any 50-page construction application followed by a detailed engineering license application. Instead, a cable system merely "registers" with the FCC, informing the commission (frequently by postcard) that the system is operational and is broadcasting. The FCC has not even sent out ownership sections of its annual report form for two years.

Nevertheless, there is some useful information available through the FCC about cable systems, and undoubtedly more data is available through local governments, which frequently grant franchise licenses to cable systems.

FCC Form 325 — the annual report of cable television systems — contains only a small part of the basic license information available from commercial television stations. Essentially, the form contains the legal name of the system's operator, the communities the system services, and the number of subscribers. Form 325 also shows the number of homes passed by cable lines in relationship to the number of subscribers to the system. To know how many homes are potentially available to the system is to know, in a general way, the potential of the system for wiring the community.

Because some cable systems now have the capacity for 60 channels of programming (as well as viewer talk-back response) the most useful information involves the type and variety of programming the system carries. In this area, the system operator must provide a list of all the radio and television stations the cable system pulls in from the airwaves and redistributes via cable to subscriber homes.

For a specified week in September, the cable operator must show what automated programs were offered, including the hours per week of operation. This type of programming includes time and weather service, news display, sports scores, stock market transactions and other services. The cable system also must show how often certain types of programming were offered. This data must be subdivided by type of programming, such as public affairs, news, sports, religion, education and entertainment.

Like other broadcasters, the cable operator must indicate the number of public service announcements and the hours of advertising. Form 325 also shows whether fire alarms, utility meters or other specialized data services are available. The final useful piece of information concerns how many total channels the system is capable of carrying and how many are in use.

A large portion of the information on Form 325 could be gathered by sitting down and watching the cable television over a period of time. What is not available through viewing, however, is how the service in one community compares with that of a nearby community. It is possible, for example, that fewer subscribers in a neighboring city are receiving far more programming for their monthly subscription fee than subscribers in one's own town. Such comparisons would be difficult to make without FCC Form 325.

SAFETY AND SPECIAL RADIO SERVICES BUREAU

Safety and Special Radio Service licenses form the largest group of licenses regulated by the FCC. Every year, nearly 5 million applications are received by the commission in this area. Most licenses are granted on strict technical grounds, with little or no discretion available to the commission to consider the public interest. In short, if the application meets certain engineering guidelines and does not cause substantial interference with an existing licensee, the license is usually granted.

A. Land Mobile Radio Service

This type of communication involves two-way radio for protecting the public safety and for licensees who are involved in the movement of goods and services throughout the country. Applicants in the Chicago region interested in this type of service complete FCC Form 425. All others use Form 400.

Public safety applicants include police, fire and rescue teams, including ambulances equipped to transmit vital signs back to hospitals. Those involved with goods and services are the railroad industry, natural-resource companies and taxicab firms. Other users of this application form are employees in highway maintenance, the motion picture industry and telephone maintenance.

B. Aviation Service

The FCC regulates non-government marine radio services, including ship-to-ship and ship-to-shore communication, and

navigation or radiolocation frequencies. Applicants for this type of service are required to complete Form 503.

C. Amatuer Radio Service

Estimates place the number of "Good Buddy" people licensed to operate citizens band radios at 20 million, making CBs the largest service administered by the FCC. In addition to CB licenses, the commission issues several grades of amateur radio licenses — from Novice all the way to Amateur Extra Class, these licenses provide some exclusive reserve-frequency operating privileges. The license application form for CB users is Form 505. Applicants for an amateur operator license use Form 610.

Although the higher class of amateur operators must pass certain tests, the CB operator is free to operate equipment after requesting permission from the FCC. The commission requires surprisingly little from CB users. For example, according to Form 5029 — a form letter sent to CB applicants — no fees are required for a CB license; members of a CB operator's family need not have a separate license to use the equipment; there is no official FCC CB 10-Code; and the FCC does not register "handles" (like "Rubber Ducky").

FIELD OFFICE BUREAU

The Field Office Bureau is the enforcement arm of the FCC. As such, the bureau approves few actual forms. The bureau does not regulate; it monitors and enforces. The four functions of the bureau include:

- The Violations Division, which determines whether complaints warrant penalties.
- The Regional Services Division, which determines policy for public service programs, operator licensing and marking of antenna towers.
- The Engineering Division, which provides technical support for equipment development.
- The Enforcement Division, which controls the field enforcement operation.

Once a violation is documented and a fine is levied, the information is published in the Federal Register. But information from the Enforcement Division is rarely made available about investigations in progress. In some cases, however, a Freedom of Information request will dislodge matters under investigation, although only for cases where little damage would result from the disclosure. For example, if a taxicab company is broadcasting at a higher rate of power than authorized, the release of evidence may be more publicly damaging to the company than the penalty. In those cases, the Enforcement Division has tended to protect its information about investigations in progress.

THE CHIEF ENGINEER'S OFFICE

A. Experimental

A crop-dusting plane zooms under a power line, banks to the left and returns to a precise crop-dusting pattern, ensuring that every row of corn is covered and no insecticide is wasted.

A person drives toward Los Angeles International Airport and over the radio hears a pleasant voice saying the parking lot is full. The information saves her the extra minutes she needs to catch a plane.

These examples illustrate some of the practical ideas that have come from experimental uses of radio service. New uses for the radio frequency are being explored at the rate of nearly 1,000 a year. They range from tracking the migratory patterns of wild animals to operating construction equipment by remote control.

All non-military experimental uses of radio are available for public inspection on FCC Form 442. Although some of the information is standard, the form does not include any detailed ownership or financial data. The applicant must show whether the research is connected with some government project or whether it is being undertaken solely by the applicant. In addition, the applicant must — in essay form — describe in detail the nature of the project, give an explanation of why existing facilities are inadequate, and make a showing that facilities requested are in fact needed. The applicant must also describe the equipment to be used, the objectives of the project, and how the experimentation has a "reasonable promise" of contributing to the development of the radio art.

B. Equipment Testing

A few years ago, consumer groups worried about the possibly harmful effects of microwave ovens. Heart patients today receive their diagnosis by means of radio-frequency devices. All of this equipment, including the radar that steers airplanes around thunderstorms, is authorized by the Chief Engineer's office. Whether a person is seeking information on a consumer product protest, or a major airplane crash, equipment- and manufacturer-related questions can be answered from Form 724 or Form 731.

Form 724 is for the registration of industrial, scientific and medical equipment using radio frequency. This form contains the address of the manufacturer, the name of the employee responsible for the information, and a description of the equipment used. In addition, the form shows "measurements of the radio frequency energy emitted by the equipment." Equipment that falls into this category does not have to be licensed, but only registered with the commission.

Form 731 involves the licensing of radio-frequency devices, including various types of radio-transmitting equipment. This application includes a description of the equipment and the conditions under which it will be operated.

FOOTNOTES

1. Federal Communications Commission, 42nd Annual Report 1976 (including transition quarter).
2. Currently, Congress is reevaluating the FCC's role with respect to the cable television industry. If the Communications Act of 1934 is rewritten as proposed by Rep. Lionel Van Deerlin, D-Calif., with House Bill 3333, the FCC would lose much of its regulatory control over cable television and the entire communications industry.
3. "Less TV for More — Poll Uncovers a Turnaround in Viewing Habits," Washington Post, 28 February 1979, Sect. B, pp. 1, 11.
4. Communications Act of 1934, as amended. The phrase "public interest, convenience and necessity" was borrowed from the Radio Act of 1927, the forerunner of the Communications Act of 1934.
5. Barry Cole and Mal Oettinger, Reluctant Regulators — The FCC and the Broadcast Audience, (Reading, Mass.: Addison-Wesley Publishing Co., 1978), p. 25.
6. Federal Communications Commission, "Report and Statement of Policy Re-Commission En Banc Programming Inquiry," FCC Docket 60-970, 29 July 1960.
7. Cole and Oettinger, p. 134.
8. "The Trouble With Television — Deep Dislike of Commercials," Washington Post, 1 March 1979, Sect. B, pp. 1, 13.
9. Federal Communications Commission, Statistics of Communications Common Carriers, December 1977.